



Rental Housing Co-operative Unit.
Ministry of Housing.

Principles behind the assessment of the submission development process.

Information sheet No.3

Principles behind the assessment of the development process used to make a submission for the Rental Housing Co-operative Programme.

The essential characteristic of a Rental Housing Co-operative is the handing over of public housing for management by tenants themselves.

That is the prime objective of the Rental Housing Co-operative (RHC) programme. It follows that whether or not a submitting group has the will, experience and capacity to enable tenants to control their own housing is of crucial importance in deciding which groups will be funded to set up as rental co-ops.

Rental co-ops are not designed simply to provide scattered housing for those in need. The Spot Purchase programme already does that.

Rental co-ops go a step further. They are a vehicle for giving tenants access to the advantages that every home owner enjoys. Central to these advantages is the concept of the individual's right to control their own housing (e.g. rights to organise their own renovations and maintenance) and the security of tenure guaranteed by that control. Rental co-ops provide a democratic and legally accountable framework for individuals to assert collective control over their housing.

The actual process used to put together a submission is of as much importance as the end product. Those assessing submissions want to see a practical demonstration - not just a verbal commitment - that a submitting group is actually involved in the process of creating a co-operative with a core group of potential tenants or the submitting groups must outline specific strategies for achieving tenant control. Any group which did not involve potential tenants would also need to demonstrate that it has extensive experience in community development.

Glossy rhetoric, or a submission whipped up by a couple of professionals would seem to provide the least guarantees that tenant management of a rental co-op will ever become a reality. What you are likely to end up with is a management committee of professionals replacing the Housing Commission as landlords at the local level.

Professional skill, expertise and support is, of course, vital in the initiation and establishment of a rental co-op.

Co-operative management techniques and the principles on which they rest are new to most people. Patience, training and lots of experience are needed before they can be understood and appreciated. And it is only once having gained understanding and appreciation that a tenant member is enabled to exercise power through participation.

Past experience from the R.H.C programme has demonstrated the importance of involving potential tenants at an early stage. A combination of professionals working together with potential tenants seems to provide the best guarantees of long term success.

Reasons for tenant involvement

1. Commitment. Where tenants are involved in the development of policies and the structure of a co-op., they are more likely to identify with it as their creation.
2. Deep end. The essential characteristic of a rental co-op is the handing of management control to tenants themselves. But how do you do this where the potential tenants have no skills, training or experience in management? No-one believes that it is an easy process to pass on skills and understanding. This process, however, is more likely to proceed at a faster rate where the submitting group involves potential tenants from the start, proceeding at their pace and demonstrating an ability to pass on skills.

3. Predetermined. Where only professionals are involved in a submitting group, they are likely both to predetermine the nature of the co-op. from the start and create a cycle of dependence.

The professionals start by making all the decisions; the tenants take a back seat and the dependence on professionals to run the co-op. becomes entrenched.

4. All facade. A danger exists that a group of professionals could, with comparative ease, produce a glossy report saying all the right things. How are the assessors to judge the sincerity of the submission and the ability of the group to deliver a tenant-managed co-op where no potential tenants are involved.
5. Co-operators first. Among the first group of tenant members of a rental co-op., it is clear that a high proportion need to be co-operators. How do you find such people and do it without discriminating against the vast majority of low income people who do not have the training and experience? It would seem that the best method is to openly advertise from the start for potential tenants. Potential tenants who express interest, then, not only contribute to the development of a co-op., but they also experience and learn what co-operation means. Those who stick it out self-select themselves, and provide the initial core of co-operators.
6. In the long term. A core group of committed tenants provides one of the best guarantees of long term success. Professionals may be initially committed, but they don't have anything - such as a house - to maintain their interest over time.
7. Limbo In the 4-6 month period after selection as a rental co-op, submitting groups seem to lack the drive to continue policy development unless potential tenants are involved.

8. Administrative support. Committed tenants can provide the first housing officer with much needed support. They are also in a better position to make the right choice in selecting a housing officer and remedying any mistake they might make in selection.

Development of a co-operative model

Submitting groups are also expected to devise fair, responsible and effective policies and procedures for the co-op model they choose. It has been argued that the development of a clearly defined structure leaves nothing for future tenant members to decide.

Evidence is needed, however, that the submitting group both understands the nature of a rental co-op and has the capability to devise a sound co-op structure. Without such evidence, any decision made by the assessors can only be based on trust or hunches.

Any group, simply by its existence, is already pre-determining the future structure of their co-op. What is important is to ensure that any structure developed is sound enough to provide a strong foundation from which to build.

What should be feared is the submitting group whose structure is vaguely formed and surrounded by confusion.

To summarise, a submitting group needs to demonstrate in relation to its development process: -

- (1) Involvement in the process of passing on skills to potential tenants from the very start.

OR

Extensive experience in community development coupled with good reasons for not involving potential tenants and specific strategies for achieving tenant member control in the long term.

- (2) A general understanding by the whole submitting group of the nature of co-operative management and principles. The group will need to show that it has thought through the means of maximising tenant member participation and control.
- (3) That it has developed an initial structure which is fair, responsible and effective.
- (4) That the group has worked together for as long as it takes until all members both understand and are committed to the structure developed.